

**TO: Honorable Chairperson Barbara Carey-Shuler, Ed. D.  
and Members, Board of County Commissioners**

**DATE:** September 21, 2004

**FROM: George M. Burgess  
County Manager**



**SUBJECT:** Application for Industrial  
Development Revenue  
Refunding Bond financing  
for Susanna Wesley Health  
Center, Inc.

The attached item (Susanna Wesley Health Center, Inc.) has been placed on the September 21, 2004 County Commission Agenda, at the request of the Chairman of the Miami-Dade County Industrial Development Authority.

MEMORANDUM

TO: Honorable Chairperson Barbara Carey-Shuler, Ed. D. DATE: September 21, 2004  
and Members, Board of County Commissioners

FROM: Albert Morrison, Jr., Chairman  
Miami-Dade County  
Industrial Development Authority

SUBJECT: Application for Industrial  
Development Revenue  
Refunding Bond financing  
for Susanna Wesley Health  
Center, Inc.



RECOMMENDATION

It is recommended that the Board approve the issuance of the Authority's Industrial Development Revenue Refunding Bonds for Susanna Wesley Health Center, Inc., as detailed in the attached reports.

BACKGROUND

Review and analysis of the project has been completed by the Authority, County Attorney's Office, and Bond Counsel. Bond Counsel advises a public hearing is not required for the proposed Susanna Wesley Health Center, Inc. Industrial Development Revenue Refunding Bonds because there is no increase in the original principal amount of the bonds to be refunded or any extension of the final maturity date.

Susanna Wesley Health Center, Inc., a 501(c)(3) not-for-profit Florida corporation operates a 120 bed skilled and intermediate care nursing facility located at 5300 West 16<sup>th</sup> Avenue, in the City of Hialeah. The company has requested the Industrial Development Authority issue its Revenue Refunding Bonds in an aggregate principal amount not to exceed \$4,115,000 to enable the company to take advantage of current variable interest rates, which, including the letter of credit fee are estimated at approximately 3.0%. The Revenue Refunding Bonds will be guaranteed by a letter of credit issued by a rated financial institution. Susanna Wesley Health Center, Inc. reports it currently employs approximately 165 full-time people and an additional 50 people are indirectly employed through agencies and management contracts.



Assistant County Manager



# MEMORANDUM

(Revised)

**TO:** Hon. Chairperson Barbara Carey-Shuler, Ed.D.  
and Members, Board of County Commissioners

**DATE:** September 21, 2004

**FROM:** Robert A. Ginsburg  
County Attorney

**SUBJECT:** Agenda Item No. 9(E)(1)(A)

Please note any items checked.

- ☐ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Bid waiver requiring County Manager's written recommendation
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ Housekeeping item (no policy decision required)
- ☐ No committee review

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 9(E)(1)(A)  
9-21-04

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING ISSUANCE OF MIAMI-DADE  
COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT REVENUE REFUNDING  
BONDS IN AN AMOUNT NOT TO EXCEED \$4,115,000  
TO REFUND CERTAIN OUTSTANDING BONDS OF THE  
AUTHORITY ISSUED FOR BENEFIT OF SUSANNA  
WESLEY HEALTH CENTER, INC. FOR PURPOSES OF  
AND PURSUANT TO SECTION 159.47(1), FLORIDA  
STATUTES, AS AMENDED

WHEREAS, Susanna Wesley Health Center, Inc., a 501(c)(3) not-  
for-profit Florida corporation (the "Company"), has requested the  
Miami-Dade County Industrial Development Authority (the  
"Authority") to issue not exceeding \$4,115,000 aggregate principal  
amount of its Industrial Development Revenue Refunding Bonds  
(Susanna Wesley Health Center, Inc. Project) (the "Bonds"), the  
proceeds of which will be used to refund the Authority's  
outstanding Industrial Development Revenue Refunding Bonds  
(Susanna Wesley Health Center, Inc.), Series 1994A (the "Prior  
Bonds"); and

WHEREAS, the Authority intends to issue the Bonds subject to  
approval by the Board of County Commissioners of Miami-Dade

County, Florida (the "Board") and final approval by the Authority of the financing documents for the Project, which is more particularly described in the report prepared by the Executive Director of the Authority, (a copy of which is attached hereto as Exhibit A); and

WHEREAS, Section 159.47(1)(f), Florida Statutes, requires that bonds issued by the Authority be approved by the Board; and

WHEREAS, after reviewing a copy of the report prepared by the Executive Director of the Authority, and finding that the refunding of the Prior Bonds will inure to the benefit of the citizens of Miami-Dade County, this Board desires to approve the issuance of the bonds for the purpose of complying with Section 159.47(1)(f), Florida Statutes,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. The issuance of Revenue Refunding Bonds of the Miami-Dade County Industrial Development Authority in an aggregate principal amount not to exceed \$4,115,000 to refund the Prior Bonds, as previously described, is approved.

Section 2. The Bonds and the interest on the Bonds shall not constitute a debt, liability or general obligation of the Authority, the County or of the State of Florida or of any political subdivision thereof, but shall be payable solely from the revenues or other moneys specifically provided by the Company for the payment of the Bonds and neither the faith and credit nor any taxing power of the Authority, the County or of the State of Florida or of any political subdivision thereof is pledged to the payment of the principal or interest on the Bonds.

The foregoing resolution was offered by Commissioner  
  
  , who moved its adoption. The  
motion was seconded by Commissioner  
and upon being put to a vote, the vote was as follows:

Dr. Barbara Carey-Shuler, Chairperson	
Katy Sorenson, Vice-Chairperson	
Bruno A. Barreiro	Jose "Pepe" Diaz
Betty T. Ferguson	Sally A. Heyman
Joe A. Martinez	Jimmy L. Morales
Dennis C. Moss	Dorrin D. Rolle
Natacha Seijas	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 21<sup>st</sup> day of September, 2004. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF COUNTY  
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as  
to form and legal sufficiency

Gerald T. Heffernan

By: \_\_\_\_\_  
Deputy Clerk

**SUSANNA WESLEY HEALTH CENTER, INC.  
REVENUE REFUNDING BONDS**

**THE COMPANY**

Susanna Wesley Health Center, Inc. (the "Company") was established in the 1980's as a 501(c)(3) not-for-profit Florida corporation for the purpose of building and operating a skilled and intermediate care nursing home facility in Hialeah, Florida. The Company is affiliated with the United Methodist Church.

**THE PROJECT**

In July 1983, Industrial Development Revenue Bonds in the amount of \$4,995,000 (Susanna Wesley Health Center, Inc., FHA Insured Mortgage) were approved and issued to assist the company acquire a one acre site and construct and equip a 120 bed, 60,548 sq. ft. skilled and intermediate care nursing facility located at 5300 West 16<sup>th</sup> Avenue, Hialeah, Florida.

In September 1994 the Company requested the Authority issue Revenue Refunding Bonds enabling the Company to reduce their fixed interest rate from 10.05% to 6.625%. The Company is again requesting the Authority issue Revenue Refunding Bonds in an amount not to exceed \$4,115,000 to enable the Company to take advantage of current variable interest rates which, including the letter of credit fee are estimated at approximately 3.0%. The Revenue Refunding Bonds will be guaranteed by a letter of credit issued by a rated financial institution.

The proceeds of the original Susanna Wesley revenue bond issue together with contributions from the Company and interest earnings during construction were used as follows:

1. Construction Costs .....	\$ 3,562,416
2. Land.....	261,000
3. Other Project Costs .....	682,820
4. Cap. Int. and FHA Financing .....	445,771
5. Bond Fund.....	403,842
6. Cap. Int. on Bonds.....	262,571
7. Debt Service Reserve Fund .....	503,600
8. Escrow Account .....	93,575
<b>TOTAL</b>	<b>\$ 6,215,595</b>

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### **FINANCIAL SUFFICIENCY**

The Company has provided audited financial statements for the fiscal year ended June 30, 2003 and interim financial statements for the fiscal year ended June 30, 2004.

#### **Information relative to the proposed financial structure includes:**

Financial Structure:	Corporate debt.
Security:	First mortgage on all assets financed with bond proceeds.
Guarantee:	Letter of Credit from a rated financial institution acceptable to the Authority.
Marketing:	Private Placement.

### **LEGAL**

Current Federal Regulations permit the refunding of previously issued Industrial Development Revenue Bonds for non-manufacturing projects. Bonds issued for the benefit of a 501 (c)(3) corporation are also exempt from the requirement of being included under the state bond volume cap.

### **ECONOMIC IMPACT**

Susanna Wesley Health Center, Inc. and its affiliates have operated in Miami-Dade County for over 45 years, providing quality skilled and intermediate nursing and congregate living care to the Miami-Dade community. The Company directly employs approximately 165 full-time people in Miami-Dade County and reports an additional 50 people are indirectly employed through agencies and management contracts.

In addition to supporting a facility providing skilled and intermediate nursing care and congregate living care to the citizens of Miami-Dade County, the refunding of the bonds will contribute significantly to the continued financial success of the project and enable the project to remain competitive within the industry as well as maintain its viability as an employer.